

Investing for the future – an educated way to improve direct response marketing

Industry
Financial Services

Program
B2C – Acquisition

Client
Heritage Education Funds

Variable Design, Engineering,
Programming & Print Provider
Terminal Van Gogh

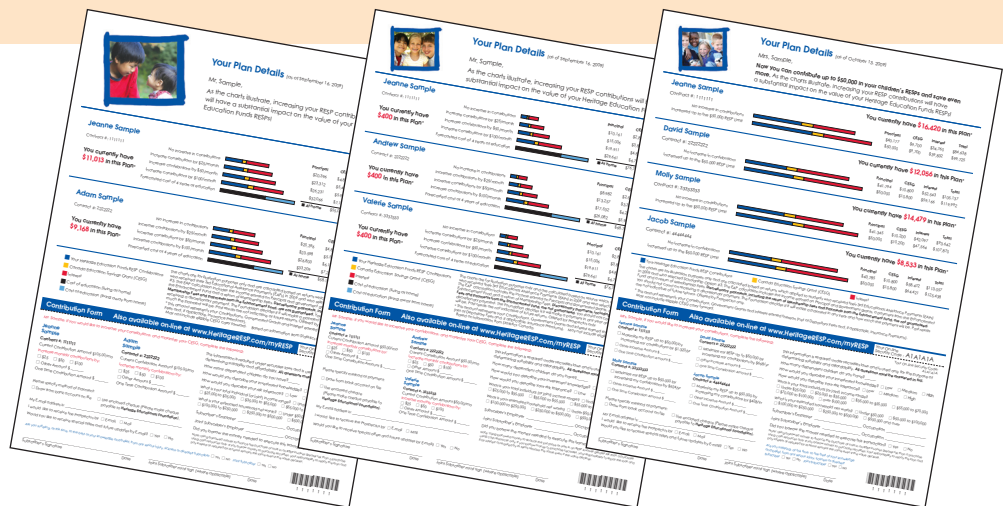
BACKGROUND

Each year Heritage conducts a direct mail campaign informing clients that, as December 31 approaches, so does their opportunity to take advantage of the federal government’s Canada Education Savings Grant Program – which provides federal government grants of up to \$400 per eligible child, per calendar year – when they contribute to an RESP.

Many of their clients found it difficult to forecast the potentially significant costs they would face 10 or more years down the road. As a result, Heritage had not seen an increase in its response rates over the previous three years and its return on investment was stagnant.

OBJECTIVE

- Inform Heritage clients of their current RESP contributions
- Increase response rates through individual communication
- Increase return on sales and marketing investments
- Promote monthly pre-approved payments over lump sum payments, thereby reducing attrition and improving life time value



SOLUTION


- Develop and design a variable 1 to 1 marketing communication that would improve results and succinctly communicate in concrete fiscal terms, the value of increasing RESP contributions
- Developed a variable individualized direct mail piece that was similar in look and feel to the control piece so as not to skew results while utilizing variable images that reflected the age and gender of the client’s child(ren) as

well as variable text that reflected the gender and number of children within the household (whether it be male, female or plural)

- Variable piece needed to include the respective Heritage agents’ signature and contact information as well as graphs that clearly reflected current and future value of each child’s RESP (including the various contribution increase offered by Heritage)

Variable drivers

- A** Children's Gender
- B** Children's Age
- C** Sales Representative
- D** Years to Graduate
- E** Increase Options
- F** 3 Payment Types
- G** Insurance Option



HERITAGE
Education Funds
Securing Your Child's Future Since 1967

Mrs. Jeanne Sample
123 Main Street
Anycity, QC A1A 2B2


Dear Mrs. Sample,
Time is running out to maximize the savings potential of Jeanne's RESP in 2009. Now more than ever, we need to do everything we can to secure our children's future.
With their generous lifetime contribution limit of \$50,000 and access to three government grants, such as the Canada Education Savings Grant (CESG) and Quebec Education Savings Incentive (QESI) which can add over \$10,000 to your child's plan! RESP's remain the savings vehicle of choice for parents who want to give their children the gift of a bright future.
Maximizing contributions to Jeanne's RESP can make sense, not only because it helps her RESP keep pace with the growing cost of education, but also to make it easier for her to attend a post-secondary institution that's away from home or even in a foreign country, where costs are likely to be higher.
You can take advantage of this opportunity by completing the contribution form online at www.HeritageRESP.com/myRESP or by filling in the form on the back of this letter and mailing it in the enclosed postage-paid envelope. You can also fax us at 416-522-2555 before December 31, 2009. Choose the option that works best for you and, while you're at it, enter a contest to win an additional \$2,500 in RESP's. If you respond by mail, you'll automatically be entered in the contest, or you can enter online at www.HeritageRESP.com/myRESP.
At Heritage, we're proud to provide you with a safe and secure way to save even more to make your child's dreams come true. Mrs. Sample, I encourage you to act now on the wonderful opportunity to increase the value of Jeanne's RESP. **Her education, her future, is your present.**
Sincerely,
Yoko Shrivastava-Shrivastava
Executive Agency Director

2009 Sheppard Ave. E. Suite 700, Toronto, ON M2J 5B4 Tel: 416-522-2200 Fax: 416-522-2555 Toll Free: 1-800-739-2101 Email: customerservice@heritageresp.com

**Respond Before December 31, 2009
To Maximize Your RESP Savings**

WIN! Up to **\$20,000** in
RESPs available to be won at:
www.HeritageRESP.com/myRESP

Contest Deadline December 31, 2009 Draw January 15, 2010
*Certain conditions apply.
†See www.HeritageRESP.com/RESP_contest.html for contest rules



Your Plan Details (as of October 13, 2009)

Mrs. Sample,
Now you can contribute up to \$50,000 in your child's RESP and save even more. As the chart illustrates, increasing your RESP contributions will have a substantial impact on the value of your Heritage Education Funds RESP!

Jeanne Sample
Contract #: 1111111

You currently have **\$60,325** in this Plan*

	Principal	Grants†	Interest	Total
No increase in contributions	\$47,427	\$8,850	\$63,345	\$121,422
Increased up to the \$50,000 RESP limit	\$49,884	\$9,107	\$64,379	\$123,370

■ Your Heritage Education Funds RESP Contributions
■ Grants: CESG and QESI
■ Interest

The chart is for illustrative purposes only and is calculated based on returns which applied to students who received their 3rd Educational Assistance Payments (EAP's) in 2009 and who selected Subsidizing Option #3. The EAP calculation includes the income earned on Principal and government grants, a payment from the Enhancement Fund and a return of Membership fees. **Discretionary payments, including the return of Membership fees and payments from the Enhancement Fund, are not guaranteed.** You should not count on receiving a discretionary payment. The Foundation decides if it will make a payment in any year and how much the payment will be. Past results are not indicative of future returns. Offered by Prospectus only.
* This amount represents your Contributions, Government Grants and Interest earned less fees (not Deductions Fees and, if applicable, Insurance Premiums).
† May not include CESG and/or QESI carry forward.

Contribution Form Also available on-line at www.HeritageRESP.com/myRESP **Visit On-line Security Code: AJ1A1A**

Mrs. Sample, if you would like to increase your contributions, complete the following:

Jeanne Sample
Contract #: 1111111
 Accept my RESP up to \$50,000 by increasing my contributions by \$471/yr
 Other Increase Amount \$ _____
 One Time Contribution Amount \$ _____

Please specify method of payment:
 Draw from bank account on file Use enclosed cheque (Please make cheque payable to **Heritage Educational Foundation**)

My E-mail address is: _____
Would I like to receive this Prospectus by e-mail? Email Mail
Would you like to receive special offers and future updates by e-mail? Yes No
Are you willing to be the best of your knowledge or belief, from any source, to advise or disavow Subscriber? Yes No No

This information is required under securities laws and is used only for the purpose of determining suitability and affordability. **All questions must be answered in full.**
How many dependent children do you have? _____
How would you describe your investment knowledge? Low Medium High
How would you describe your risk tolerance? Low Medium High
What is your total individual or joint income range? Under \$20,000 \$20,000 to \$30,000 \$30,000 to \$50,000 \$50,000 to \$70,000 \$70,000 to \$100,000 over \$100,000
What is your estimated household net worth? Under \$50,000 \$50,000 to \$100,000 \$100,000 to \$200,000 \$200,000 to \$500,000 \$500,000 and over

Subscriber's Employer: _____ Occupation: _____
I am a Subscriber's Employee Yes No
Did you borrow the money needed to purchase this transaction? Yes No
We are not responsible for the accuracy of the information provided in this prospectus. Only the prospectus can be relied upon for the full details of the RESP program. Please read the prospectus carefully and completely before you decide to purchase the RESP. You are responsible to repay the loan and payments as required by the terms of the loan agreement.

Subscriber's Signature _____ Date _____
Joint Subscriber must sign (where applicable) _____ Date _____

RESULTS

- Lifetime value of the variable piece was **400** times greater than the traditional piece
- Overall rate of response increased by **191%** (with 10 times greater response rate within the first 3 weeks of the campaign)
- Over **91%** of responding clients fulfilled on the call to action
- **76%** increase in the number of RESP units sold
- Cost of acquiring a customer decreased by **21%**

“Personalized direct mail provides direct value to your customers. They say ‘Here’s a company that finally gets me.’”
Jason Maguire, Executive Vice President, Marketing, Heritage Education Funds

COMPANY PROFILE

Incorporated in 1986, Heritage Education Funds is one of the leading providers of top performing fixed income RESP's. The Foundation administers one of the largest active group RESP's in Canada with assets under administration exceeding \$1.68 billion. Heritage's

objective is to encourage parents, grandparents or other interested adults to save for a child's post-secondary education through a planned education savings program.

For more information please visit www.heritageresp.com